

ASSEMBLY BILL

No. 1166

Introduced by Assembly Member Burke

February 17, 2017

An act to amend Sections 66021.2 and 69432 of the Education Code, relating to student financial aid, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

AB 1166, as introduced, Burke. Student financial aid: Cal Grant Program.

Existing law, the Ortiz-Pacheco-Poochigian-Vasconcellos Cal Grant Program, establishes the Cal Grant A and B Entitlement awards, the California Community College Transfer Entitlement awards, the Competitive Cal Grant A and B awards, the Cal Grant C awards, and the Cal Grant T awards under the administration of the Student Aid Commission, and establishes eligibility requirements for awards under these programs for participating students attending qualifying institutions. Existing law specifies the amounts of the maximum Cal Grant A and B awards for students attending private nonprofit postsecondary educational institutions and private for-profit postsecondary educational institutions that are regionally accredited, as specified.

This bill would change, in accordance with a prescribed formula, the maximum Cal Grant awards for students attending private nonprofit postsecondary educational institutions, commencing with the 2017–18 award year. The bill would impose requirements on private nonprofit postsecondary educational institutions to provide specified data to a specified association as a condition for the funding of Cal Grant

maximum awards to their students, and would require the association to report on that information to the Legislature, the Governor, the Department of Finance, and the Legislative Analyst's Office.

The bill would also make conforming changes.

This bill would declare that it is to take effect immediately as an urgency statute.

Vote: $\frac{2}{3}$. Appropriation: no. Fiscal committee: yes.

State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. The Legislature finds and declares all of the
2 following:

3 (a) California's Western Association of Schools and Colleges
4 (WASC)-accredited, private nonprofit colleges and universities
5 are an important part of the state's Master Plan to help meet the
6 state's higher education needs.

7 (b) (1) The maximum award for Cal Grant students attending
8 WASC-accredited, private nonprofit colleges and universities has
9 not increased since its maximum of \$9,708 in 1999.

10 (2) It was cut by almost 15 percent for the 2004–05 and 2005–06
11 cohorts.

12 (3) It was cut by 5 percent for new and renewal students for the
13 2012–13 award year, and by an additional 1.5 percent in the
14 2013–14 award year. It is scheduled for an additional cut of 11.3
15 percent in the 2017–18 award year for new awardees.

16 (4) If the 2000 Cal Grant maximum award had kept up with the
17 rate of inflation, the 2016 award level would be \$13,606.

18 (5) The proposed maximum award for the 2017–18 award year
19 will be the lowest amount California has invested in academically
20 qualified, low-income students that attend WASC-accredited,
21 private nonprofit institutions since the 1997–98 academic year.

22 (c) The Cal Grant Program effectively and successfully helps
23 California's private nonprofit colleges and universities to recruit,
24 retain, and graduate historically underrepresented students from
25 low-income California families.

26 (d) The Cal Grant Program was created to provide access for
27 California students to attend the state's WASC-accredited, private
28 nonprofit colleges and universities. This opened the door for
29 students to attend the colleges of their choice.

1 (e) California's WASC-accredited, private nonprofit colleges
2 and universities play an important role in their local communities,
3 as well as in the education of California's historically underserved
4 populations.

5 (f) Predictable and stable funding formulas and eligibility
6 requirements ensure that the state maximizes its investment by
7 allowing families to better plan and pay for higher education, in
8 addition to incentivizing private nonprofit colleges and universities
9 to enroll more low-income Californians.

10 (g) Legislative action is needed to adopt a reasonable and viable
11 formula that supports predictability and parity for California
12 students at private nonprofit colleges.

13 SEC. 2. Section 66021.2 of the Education Code is amended to
14 read:

15 66021.2. Consistent with the state's historic commitment to
16 provide educational opportunity by ensuring both student access
17 to and selection of an institution of higher education for students
18 with financial need, the long-term policy of the
19 Ortiz-Pacheco-Poochigian-Vasconcellos Cal Grant Program
20 established pursuant to Chapter 1.7 (commencing with Section
21 69430) of Part 42 shall be as follows:

22 (a) Commencing with the 2001–02 academic year and every
23 year thereafter, an applicant for a Cal Grant A or B award shall
24 receive an award that is not in excess of the financial need amount
25 determined by the Student Aid Commission pursuant to Section
26 69432.9 if he or she complies with all of the following
27 requirements:

28 (1) Demonstrates financial need under the criteria adopted
29 pursuant to Section 69432.9.

30 (2) Attains a grade point average, as defined in Section 69432.7,
31 meeting the requirements of Chapter 1.7 (commencing with Section
32 69430) of Part 42.

33 (3) Complies with each of the eligibility criteria applicable to
34 the type of Cal Grant award for which he or she is applying.

35 (b) (1) (A) The maximum Cal Grant A award for a student
36 attending the University of California or the California State
37 University shall equal the mandatory systemwide fees in the
38 segment attended by the student.

39 (B) The maximum Cal Grant B award for a student who is
40 attending the University of California, the California State

University, or the California Community Colleges when not enrolled in upper division coursework as described in paragraph (2), shall equal the mandatory systemwide fees in the segment attended by the student, except for community college students who receive waivers from the Board of Governors of the California Community Colleges, plus the access award calculated as specified in Article 3 (commencing with Section 69435) of Chapter 1.7 of Part 42, except that in the first year of enrollment in a qualifying institution, the maximum award shall be only for the amount of the access award.

(2) (A) The maximum Cal Grant A award for a community college student enrolled in upper division coursework of a baccalaureate degree program, described in Article 3 (commencing with Section 78040) of Chapter 1 of Part 48 of Division 7, shall equal the per unit fees charged for the upper division coursework for the academic term.

(B) The maximum Cal Grant B award for a community college student enrolled in upper division coursework of a baccalaureate degree program, described in Article 3 (commencing with Section 78040) of Chapter 1 of Part 48 of Division 7, shall equal the per unit fees charged for the upper division coursework for the academic term, plus the access award calculated as specified in Article 3 (commencing with Section 69435) of Chapter 1.7 of Part 42.

(c) The maximum Cal Grant awards for students attending nonpublic institutions shall be as follows:

(1) The maximum Cal Grant A award shall equal the tuition award level established in the Budget Act of 2000, or the amount as adjusted in subsequent annual budget acts.

(2) The maximum Cal Grant B award shall equal the amount of the tuition award as established in the Budget Act of 2000, or the amount as adjusted in subsequent annual budget acts, plus the amount of the access costs specified in Section 69435, except that, in the first year of enrollment in a qualifying institution, the maximum award shall be only for the amount of the access award.

(3) *Notwithstanding paragraphs (1) and (2), and notwithstanding Section 69432:*

(A) *The maximum Cal Grant award for a student attending a private nonprofit postsecondary educational institution shall be set and maintained at 75 percent of the base funding per Cal Grant*

1 student at the University of California and the California State
2 University, as determined by the average General Fund support
3 per student at the California State University and the University
4 of California, plus the maximum Cal Grant award at those
5 segments each multiplied by the percentage of California resident
6 full-time equivalent students at both segments who attend the
7 respective segment, except as provided in clauses (i) to (iv),
8 inclusive.

9 (i) For the 2017–18 award year, the maximum award shall be
10 nine thousand eighty-four dollars (\$9,084).

11 (ii) For the 2018–19 award year, the maximum award shall be
12 70 percent of the amount calculated pursuant to this subparagraph.

13 (iii) For the 2019–20 award year, the maximum award shall be
14 80 percent of the amount calculated pursuant to this subparagraph.

15 (iv) For the 2020–21 award year, the maximum award shall be
16 90 percent of the amount calculated pursuant to this subparagraph.

17 (v) For the 2021–22 award year and each year thereafter, the
18 maximum award shall be 100 percent of the amount calculated
19 pursuant to this subparagraph.

20 (B) As a condition for the funding of Cal Grant maximum
21 awards to its students pursuant to subparagraph (A), a private
22 nonprofit postsecondary educational institution shall submit
23 performance metrics to the Association of Independent California
24 Colleges and Universities. The association, in collaboration with
25 the public segments of higher education, shall determine the form
26 and content of these metrics, to ensure data are defined, collected,
27 and reported in a consistent and comparable manner, and to ensure
28 data integrity. The association shall provide that information in
29 a cumulative report generated by the association to the Legislature,
30 the Governor, the Department of Finance, and the Legislative
31 Analyst's Office on or before March 15, 2018, and on or before
32 March 15 of each year thereafter. The report shall be submitted
33 to the Legislature in compliance with Section 9795 of the
34 Government Code, and shall include all of the following data with
35 respect to each participating private nonprofit postsecondary
36 educational institution:

37 (i) The number of undergraduate students enrolled in that
38 institution.

39 (ii) The percentage of undergraduate students of that institution
40 who are California residents.

- 1 (iii) *The number of graduate students enrolled in that institution.*
- 2 (iv) *The number of transfer students from the California*
- 3 *Community Colleges enrolled in that institution.*
- 4 (v) *The percentage of undergraduate students of that institution*
- 5 *who are transfer students from the California Community Colleges.*
- 6 (vi) *The number of Pell Grant recipients enrolled in that*
- 7 *institution.*
- 8 (vii) *The percentage of undergraduate students of that institution*
- 9 *who are Pell Grant recipients.*
- 10 (viii) *The number of Cal Grant recipients enrolled in that*
- 11 *institution. With respect to those Cal Grant recipients:*
- 12 (I) *Their ethnic composition, expressed in percentages.*
- 13 (II) *The median amount of institutional aid provided to them.*
- 14 (ix) *The percentage of undergraduate students of that institution*
- 15 *who are Cal Grant recipients.*
- 16 (x) *The four- and six-year graduation rates for freshman*
- 17 *entrants of that institution:*
- 18 (I) *Disaggregated by Pell Grant recipients.*
- 19 (II) *Disaggregated by Cal Grant recipients.*
- 20 (xi) *The two- and three-year graduation rates for transfer*
- 21 *students from the California Community Colleges:*
- 22 (I) *Disaggregated by Pell Grant recipients.*
- 23 (II) *Disaggregated by Cal Grant recipients.*
- 24 (xii) *The number of degrees awarded annually by the institution*
- 25 *in total and in each of the following categories:*
- 26 (I) *Undergraduate students who first enrolled in the institution*
- 27 *as freshmen.*
- 28 (II) *Undergraduate students who first enrolled in the institution*
- 29 *as transfer students.*
- 30 (III) *Graduate students.*
- 31 (IV) *Pell Grant recipients.*
- 32 (V) *The number of degrees or credentials awarded in*
- 33 *health-related fields, teacher preparation, and the fields of science,*
- 34 *technology, engineering, and mathematics (STEM).*
- 35 (C) *The collection, reporting, and housing of data for the report*
- 36 *prepared pursuant to subparagraph (B) shall be conducted both*
- 37 *in a manner that ensures data integrity and security and that is in*
- 38 *conformance with any federal and state laws on the confidentiality*
- 39 *of student information.*

1 (d) Commencing with the 2000–01 academic year, and each
2 academic year thereafter, the Cal Grant C award shall be utilized
3 only for occupational or technical training.

4 (e) Commencing with the 2000–01 academic year, and each
5 academic year thereafter, the Cal Grant T award shall be used only
6 for one academic year of full-time attendance in a program of
7 professional preparation that has been approved by the California
8 Commission on Teacher Credentialing.

9 (f) An institution of higher education in this state that
10 participates in the Ortiz-Pacheco-Poochigian-Vasconcellos Cal
11 Grant Program shall not reduce its level of per capita need-based
12 institutional financial aid to undergraduate students, excluding
13 loans, below the total level awarded in the 2000–01 academic year.

14 (g) The implementation of the policy set forth in this section
15 shall maintain a balance between the state’s policy goals of
16 ensuring student access to and selection of an institution of higher
17 education for students with financial need and academic merit.

18 (h) It is the policy of the State of California that the
19 Ortiz-Pacheco-Poochigian-Vasconcellos Cal Grant Program
20 supplement the federal Pell Grant program.

21 (i) An award under the Ortiz-Pacheco-Poochigian-Vasconcellos
22 Cal Grant Program shall not guarantee admission to an institution
23 of higher education or admission to a specific campus or program.

24 SEC. 3. Section 69432 of the Education Code is amended to
25 read:

26 69432. (a) Cal Grant Program awards shall be known as “Cal
27 Grant A Entitlement Awards,” “Cal Grant B Entitlement Awards,”
28 “California Community College Transfer Entitlement Awards,”
29 “Competitive Cal Grant A and B Awards,” “Cal Grant C Awards,”
30 and “Cal Grant T Awards.”

31 (b) Maximum award amounts for students at independent
32 institutions and for Cal Grant C and T awards shall be identified
33 in the annual Budget Act. Maximum award amounts for Cal Grant
34 A and B awards for students attending public institutions shall be
35 referenced in the annual Budget Act.

36 (c) (1) Notwithstanding subdivision (b), ~~and subdivision (e) of~~
37 ~~Section 66021.2,~~ commencing with the 2013–14 award year, the
38 maximum tuition award amounts for Cal Grant A and B awards
39 for students attending private for-profit and nonprofit
40 postsecondary educational institutions shall be as follows:

1 (A) Four thousand dollars (\$4,000) for new recipients attending
2 private for-profit postsecondary educational institutions.

3 (B) For the ~~2015–16 and 2016–17 award years~~, *2017–18 award*
4 *year*, nine thousand eighty-four dollars (\$9,084) for new recipients
5 attending private nonprofit postsecondary educational institutions.
6 For the ~~2017–18~~ *2018–19* award year and each award year
7 thereafter, ~~eight thousand fifty-six dollars (\$8,056) for new~~
8 ~~recipients attending private nonprofit postsecondary educational~~
9 ~~institutions; the amount determined pursuant to paragraph (3) of~~
10 ~~subdivision (c) of Section 66021.2.~~

11 (2) The renewal award amount for a student whose initial award
12 is subject to a maximum award amount specified in this subdivision
13 shall be calculated pursuant to paragraph (2) of subdivision (a) of
14 Section 69433.

15 (3) Notwithstanding subparagraph (A) of paragraph (1), new
16 recipients attending private for-profit postsecondary educational
17 institutions that are accredited by the Western Association of
18 Schools and Colleges as of July 1, 2012, shall have the same
19 maximum tuition award amounts as are set forth in subparagraph
20 (B) of paragraph (1).

21 SEC. 4. This act is an urgency statute necessary for the
22 immediate preservation of the public peace, health, or safety within
23 the meaning of Article IV of the California Constitution and shall
24 go into immediate effect. The facts constituting the necessity are:

25 In order to set the amounts of Cal Grant awards for students who
26 are attending private nonprofit postsecondary educational
27 institutions before the commencement of the 2017–18 award year,
28 it is necessary that this act take effect immediately.